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The Honorable Robert D. Orr
Governor of the State of Indiana
Capitol Building
Indianapolis, Indiana 46204

Dear Governor Orr:

The 1983 Annual Report representing the condition of the Teachers' Retirement Fund is being submitted to you on behalf of the Board of Trustees and staff. The report consists of three sections: the financial section which also contains the State Board of Accounts auditor report, the listing of investments and the actuarial section which contains the actuary's certification letter and results of their latest valuation.

A brief synopsis of the fiscal years ending June 30, 1982 and 1983 is shown below:

	<u>June 30, 1982</u>	<u>June 30, 1983</u>	<u>Gain (Loss)</u>
Active Members	64,707	62,760	(1947)
Retirees & Disabilitants	23,295	23,632	337
Annual Payout to			
Retirees & Disabilitants	\$116.2 Million	\$123.7 Million	\$ 7.5 Million
Fund Assets (Book Value)	681.9 Million	775.3 Million	93.4 Million
Investment Income (Gross)	60.2 Million	89.8 Million	29.6 Million
Member Annuity Earnings Rate	9%	9%	---
Unfunded Accrued Liability			
Retirees & Beneficiaries as of June 30, 1982			.75 Billion
Active & Inactive Members as of June 30, 1981			<u>1.65 Billion</u>
			\$ 2.40 Billion

Interest rates were lower in fiscal year 1983 when compared to 1982 but we are pleased to report that we have again achieved a 9% interest payment to active member accounts as well as retired life reserve accounts.

The Board of Trustees and staff pledge continuing prudence in managing the Fund and also to provide responsive and efficient service to the members of the Teachers' Retirement Fund on your behalf.

Respectfully submitted,

Loren T. Tiede

By: Loren T. Tiede, Executive Secretary
For: ISTRF Board of Trustees
 Herbert E. Williams, President
 Joseph C. Wagner, Vice-President
 Mary Helen Stephen, Secretary
 Joseph D. Ward, Trustee
 Jerry M. Ault, Trustee



STATE OF INDIANA

STATE BOARD OF ACCOUNTS

912 STATE OFFICE BUILDING
INDIANAPOLIS, INDIANA 46204-2281
232-2513

AUDITORS' REPORT

TO: THE OFFICIALS OF THE INDIANA STATE TEACHERS' RETIREMENT FUND

We have examined the balance sheet of the Indiana State Teachers' Retirement Fund as of June 30, 1983, and the related statement of revenues, expenditures and changes in fund balance, and the statement of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Indiana State Teachers' Retirement Fund as of June 30, 1983, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules and related information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the examination of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

November 22, 1983

INDIANA STATE TEACHERS' RETIREMENT FUND
BALANCE SHEET
June 30, 1983

<u>Assets</u>	
Cash	\$ 1,283,569.50
Receivables:	
Employer Contributions Receivable	732,475.50
Member Deductions Receivable	11,588,238.75
Benefit Overpayments Receivable	3,092.34
Investments Interest Receivable	16,306,960.42
Mortgage Interest Receivable	7,975.25
Total Receivables	28,638,742.26
Investments:	
Bonds and Notes Investment (Par Value)	794,354,624.17
Premium on Bonds and Notes	5,213,593.90
Discount on Bonds and Notes	(56,470,598.66)
Mortgages	2,031,809.91
Discount on Mortgages	(12,549.48)
Real Estate (Cost)	260,000.00
Total Investments of Amortized Cost (Market Value: \$727,544,011.04)	745,376,879.84
Furniture and Equipment (Original Cost \$74,488.97; Net \$68,425.47)	
Accumulated Depreciation	6,063.50
Insurance Premium Paid In Advance	31.25
Total Assets	\$ 775,305,286.35
<u>Liabilities and Fund Balance</u>	
Current Liabilities:	
Indiana National Bank (See Note 6)	\$ 624.74
Accrued Benefits Payable	10,492,375.13
Accrued Salaries (See Note 7)	12,666.60
Accounts Payable	166,389.17
Total Current Liabilities	10,672,055.64
Fund Balance:	
Member Reserves	531,705,341.26
Reserves for Benefits in Force	967,162,700.68
Employee Reserves	1,649,025,783.00
Undistributed Investment Income	17,536,614.77
Total Reserves	3,165,430,439.71
Unreserved Fund Balance (See Note 4)	(2,400,797,209.00)
Total Fund Balance	764,633,230.71
Total Liabilities and Fund Balance	\$ 775,305,286.35

The accompanying notes are an integral part of the financial statements.

INDIANA STATE TEACHERS' RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
July 1, 1982 to June 30, 1983

	Total Fund Balance	Member Reserves	Reserves For Benefits In Force	Employer Reserves	Undistributed Investment Income	Unreserved Fund Balance
Operating Revenues:						
Member Contributions	\$ 39,229,831.48	\$ 39,228,726.04	\$ 347.41	\$ --	\$ 758.03	\$ --
Employer Contributions	95,710,768.76	--	95,710,768.76	--	--	--
Annulity and Disability Refunds	334,218.67	--	334,218.67	--	--	--
Investment Income	80,538,888.83	--	--	--	80,538,888.83	--
Accumulation of Discounts on Investments	2,647,067.25	--	--	--	2,647,067.25	--
Gain on Sale of Investments - Net	6,942,660.14	--	--	--	6,942,660.14	--
Reimbursement of Administrative Expenses	102.81	--	102.81	--	--	--
Interfund Transfers Received	182,102.49	--	182,102.49	--	--	--
Total Operating Revenues	225,585,640.43	39,228,726.04	96,227,540.14	--	90,129,374.25	--
Operating Expenses:						
Annulity and Disability Benefits	(123,737,660.88)	--	(123,737,660.88)	--	--	--
Voluntary and Death Withdrawals	(6,256,435.45)	--	--	--	(201,467.62)	--
Refunds - Members/School Units	(24,932.50)	(6,054,967.83)	--	--	(18.60)	--
Amortization of Premiums on Investments	(364,455.39)	(24,424.14)	(489.76)	--	(364,455.39)	--
Investment Expenses	(482,685.41)	--	--	--	(482,685.41)	--
Administrative Expenses	(602,790.25)	--	--	--	--	--
Depreciation Expense	(3,416.74)	--	(602,790.25)	--	--	--
Interfund Transfers Made	(321,438.47)	(42,938.65)	(3,416.74)	--	3,493.54	--
Total Operating Expenses	(131,793,815.09)	(6,122,330.62)	(124,626,350.99)	--	(1,045,133.48)	--
Other Changes in Reserves:						
Approved Retirees	--	--	--	--	--	--
Deceased Disability and Forfeiture by Law	--	(14,936,037.45)	14,889,912.04	--	46,125.41	--
Members Account Adjustment	--	(73,108.19)	73,108.19	--	--	--
Interest Distribution - 9%	--	1,923.36	(2,287.53)	--	364.17	--
Total Other Changes	--	39,723,731.36	18,983,999.28	--	(58,707,730.64)	--
Net Fund Balance Additions	93,791,825.34	57,822,904.50	5,545,921.13	--	30,422,999.71	--
Increase in Actuarial Liabilities	--	--	40,978,966.00	--	--	(60,978,966.00)
Fund Balance - July 1, 1982	671,929,377.31	473,829,264.40	921,778,957.85	1,649,025,783.00	(12,886,384.94)	(2,359,818,243.00)
Prior Period Adjustments:						
Account Reconciliation	--	--	--	--	--	--
Settled Liability (See Note 8)	(1,178,478.84)	53,172.36	(53,172.36)	--	--	--
Outdated Benefit Checks (See Note 9)	90,506.90	--	(1,178,478.84)	--	--	--
Total Prior Period Adjustments	(1,087,971.94)	53,172.36	(1,141,144.30)	--	--	--
Adjusted Fund Balance - July 1, 1982	670,841,405.37	473,882,436.76	920,637,813.55	1,649,025,783.00	(12,886,384.94)	(2,359,818,243.00)
Fund Balance - June 30, 1983	\$ 764,633,230.71	\$ 531,705,341.26	\$ 967,162,700.68	\$1,649,025,783.00	\$ 17,536,614.77	\$ (2,400,797,209.00)

The accompanying notes are an integral part of the financial statements

INDIANA STATE TEACHERS' RETIREMENT FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION
July 1, 1982 to June 30, 1983

Sources of Working Capital:			
Excess of Revenues Over Expenses			\$ 93,791,825.34
Items Not Requiring (Providing) Working Capital:			
Accumulation of Discounts on Investments	(2,647,067.25)		
Amortization of Premiums on Investments	364,455.39		
Gain on Sale of Investments	(6,942,660.14)		
Depreciation	3,416.74		
Working Capital Provided by Operations	84,569,970.08		
Outdated Benefit Checks	90,506.90		
Investments Sold or Matured	1,447,332,321.81		
Total Sources of Working Capital	\$1,531,992,798.79		
Uses of Working Capital:			
Purchases of Furniture and Equipment	\$ 709.59		
Settled Lawsuit	1,178,478.84		
Purchase of Investments	1,527,743,977.67		
Net Increase in Working Capital	3,069,632.69		
Total Uses of Working Capital	\$1,531,992,798.79		
Elements of Net Increase (Decrease) in Working Capital:			
Current Assets:			
Cash	\$ 1,283,569.50	June 30, 1983	June 30, 1982
Employer Contributions Receivable	732,475.50		\$ 607,272.61
Member Deductions Receivable	11,588,238.75		749,162.51
Benefit Overpayments Receivable	3,092.36		10,724,325.63
Investment Interest Receivable	16,306,960.42		2,467.60
Mortgage Interest Receivable	7,975.25		14,118,718.22
Insurance Premium Paid in Advance	31.25		11,581.78
Total Current Assets	29,922,343.01		31.25
Current Liabilities:			
Indiana National Bank	(624.76)		\$ 1,628,920.52
Accrued Benefits Payable	(10,492,375.13)		(2,192,536.71)
Accrued Salaries	(12,666.60)		12,901.58
Accounts Payable	(166,389.17)		(88,436.11)
Total Current Liabilities	(10,672,055.64)		--
Working Capital	\$ 19,250,287.37		\$ 3,069,632.69

The accompanying notes are an integral part of the financial statements.

INDIANA STATE TEACHERS' RETIREMENT FUND
NOTES TO FINANCIAL STATEMENTS

Note 1. Fund Description

The Indiana State Teachers' Retirement Fund was created by Acts of 1915, Chapter 182. The retirement fund was established for those persons who are engaged in teaching or in the supervision of teaching in the public schools of the state.

Note 2. Accounting Policies and Procedures

The accounting records of the fund are kept on a cash basis with adjustments made at the end of each fiscal year to convert to the accrual basis for financial statement presentation.

Note 3. Funding

The Indiana State Teachers' Retirement Fund is funded on a "pay as you go" basis. State appropriations are made for the amount of estimated pension benefit payments for each year.

From the 9th Actuarial Valuation Report dated June 30, 1981:

Employee Contributions (as a percent of payroll)	3%
Actuarially Computed Required State Contributions (as a percent of payroll; for 40-year funding)	15.2%

Note 4. Actuarial Valuation

Actuarial Valuation Reports were made by Gabriel, Roeder, Smith and Company. The interest assumption used in the survey was 6%.

Retirants and beneficiaries computed liabilities as of June 30, 1982 (16th Actuarial Valuation Report issued on May 11, 1983):

Total Accrued Liabilities	\$ 962,757,924
Less: Annuity Reserves and Pension Reserves Available for Retired Lives	<u>210,986.498</u>

Unfunded Liability for Retirants and Beneficiaries	\$ 751,771.426
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INDIANA STATE TEACHERS' RETIREMENT FUND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4. Actuarial Valuation (Continued)

Accrued portions of age and service to be paid to present active and inactive members based on service rendered as of June 30, 1981 (9th Actuarial Valuation Report Issued April 9, 1982):

Total Accrued Liability	\$1,649,025,783
Less: Funded Portions	<u> -- </u>
Net Unfunded Liabilities on Active and Inactive Members	<u>\$1,649,025,783</u>
Total Unfunded Amount	<u>\$2,400,797,209</u>

The Board of Trustees adopted a resolution on August 1, 1983, changing the interest assumption from 6% to 7½% effective July 1, 1983.

Note 5. Net Assets Available for Benefits

Market Value of Investments	\$ 727,544,011.04
Other Assets	29,928,406.51
Less: Liabilities	<u>(10,672,055.64)</u>
Net Assets Available for Benefits	<u>\$ 746,800,361.91</u>

Note 6. Indiana National Bank

Checking account was overdrawn by the amount of \$624.74 for the benefit overpayment made to Mr. Wayne V. Sharp (TRF #73462) due to computer program error.

Note 7. Accrued Salaries

Unused vacation leaves of agency employees amounting to \$22,129.60 as of June 30, 1983, was not included in the liability account.

Note 8. Settled Lawsuit

The lawsuit filed on August 28, 1980, in the Marion Circuit Court in Indianapolis, under the name of Robertson, et al vs. Williams, et al, Cause No. C80-2325, against the Board of Trustees of the Fund alleging sex discrimination in paying benefits to option "B" (survivorship) retirements was finally resolved during the month of January, 1983. The settlement was \$1,178,478.84.

INDIANA STATE TEACHERS' RETIREMENT FUND
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 9. Outdated Benefits Checks

In accordance with the office of Attorney General Opinion No. 83-4, dated February 11, 1983, the Indiana State Teachers' Retirement Fund is also not a "person" within the meaning defined in the Unclaimed Property Act and, therefore, it is not required to transfer state benefit warrants (benefit checks uncashed for two years) to the Property Custody Fund after a presumption of abandonment arises.

A) Remaining Balance of Funds Escheated to Unclaimed Property Division of the Office the Attorney General in Error Returned to the Indiana State Teachers' Retirement Fund	\$ 77,416.45
B) Teachers' Retirement Fund Uncashed/Outdated Benefit Checks Issued During the Calendary Year 1980	<u>13,090.45</u>
Total Outdated Benefit Checks	<u>\$ 90,506.90</u>

INDIANA STATE TEACHERS' RETIREMENT FUND
SCHEDULE OF ADMINISTRATIVE AND INVESTMENT EXPENSES
FISCAL YEAR ENDED JUNE 30, 1983

Personal Services:		
Trustees Per Diems	\$ 1,750.00	
Staff Salaries	356,925.52	
Social Security	24,374.90	
Retirement	23,732.48	
Insurance	<u>23,749.01</u>	
Total Services		\$ 430,531.91
Professional & Technical Services:		
Actuarial	\$ 11,636.00	
Data Processing	31,430.62	
Audit	4,116.99	
Group Health Insurance Consultant	6,333.87	
Investment Management	347,504.20	
Investment Custodial	92,105.00	
Investment Performance Measurement	4,000.00	
Medical Examination	<u>1,720.00</u>	
Total Professional & Technical Services		498,846.68
Communication:		
Printing	\$ 16,614.06	
Telephone	10,775.85	
Postage	77,297.56	
Travel	<u>3,449.14</u>	
Total Communication		108,136.61
Rentals:		
Equipment Leasing	\$ <u>3,954.04</u>	
Total Rentals		3,954.04
Miscellaneous:		
Membership, Training & Awards	\$ 635.00	
Supplies	2,450.77	
Maintenance	1,058.63	
Bonding	683.00	
Checking Account Charges	34,281.00	
Investment Other Charges	4,795.21	
Depreciation	<u>3,416.74</u>	
Total Miscellaneous		<u>47,320.35</u>
Total Administrative and Investment Expenses		<u>\$1,088,789.59</u>

INDIANA STATE TEACHER'S RETIREMENT FUND

BOND PORTFOLIO

June 30, 1983

	<u>Market Value</u>	<u>Cost Value</u>
Alliance Capital Management Corporation	\$139,712,636.43	\$145,005,438.12
The Bank of New York	\$145,440,660.30	\$145,080,700.72
The Indiana National Bank	\$169,864,485.60	\$170,465,041.91
American Fletcher National Bank	\$155,834,096.25	\$169,453,464.84
Baxter And Hoops, Inc.	\$ 60,306,690.36	\$ 59,026,227.87
Custodial Account - I.N.B.	<u>\$ 54,124,531.67</u>	<u>\$ 54,066,745.95</u>
Totals	\$725,283,100.61	\$743,097,619.41

INDIANA STATE TEACHERS' RETIREMENT FUND

LISTING OF INVESTMENTS AS OF JUNE 30, 1983

BONDS & NOTES	Interest Rate	Due Date	Market Value	Cost Value
USA Treasury Bonds	8.500	5-99	\$ 3,667,500.	\$ 4,639,582.
USA Treasury Bonds	8.250	5-05	1,957,825.	2,140,741.
USA Treasury Bonds	8.375	8-00	4,052,919.	4,207,338.
USA Treasury Bonds	9.000	2-94	4,392,200.	4,996,008.
USA Treasury Bonds	11.750	2-10	2,291,432.	2,371,639.
USA Treasury Bonds	12.750	11-10	15,111,630.	15,563,258.
USA Treasury Bills			993,550.	959,728.
USA Treasury Bills			9,813,100.	9,581,186.
USA Treasury Bills			967,190.	959,752.
USA Treasury Corpus Notes	13.750	5-92	1,924,900.	1,989,050.
USA Treasury Coupons			836,352.	875,182.
USA Treasury Notes	8.250	5-88	4,553,150.	4,766,691.
USA Treasury Notes	9.000	2-87	8,592,210.	8,586,467.
USA Treasury Notes	12.125	9-84	3,071,250.	3,000,764.
USA Treasury Notes	16.000	11-84	2,145,000.	2,027,883.
USA Treasury Notes	12.750	2-87	5,292,200.	4,932,795.
USA Treasury Notes	15.000	1-84	2,058,120.	1,999,308.
USA Treasury Notes	13.875	4-84	7,220,920.	6,993,381.
USA Treasury Notes	14.125	5-85	3,189,390.	3,020,531.
USA Treasury Notes	13.750	5-92	16,930,125.	16,003,162.
USA Treasury Notes	14.375	6-84	3,126,570.	2,995,079.
USA Treasury Notes	14.875	6-86	4,427,520.	4,145,451.
USA Treasury Notes	13.125	8-85	5,256,250.	5,022,407.
USA Treasury Notes	11.625	8-84	5,087,500.	5,087,792.
USA Treasury Notes	11.875	10-89	3,109,680.	3,001,117.
USA Treasury Notes	9.750	10-84	9,962,500.	10,008,734.
USA Treasury Notes	10.125	2-88	4,890,650.	4,944,745.
USA Treasury Notes	10.000	12-86	4,925,000.	4,969,476.
USA Treasury Notes	10.875	2-93	2,977,500.	2,991,635.
USA Treasury Notes	10.250	3-87	4,942,200.	4,992,357.
USA Treasury Notes	9.875	5-85	1,986,880.	1,997,305.
TREAS. OBLIGS.			\$149,753,213.	\$149,770,544.
Chrysler Corp. Govt. Secured Note	11.400	7-90	\$ 1,938,300.	\$ 1,905,483.
Fed. Farm Cr.	10.400	7-90	3,399,375.	3,456,632.
Fed. Farm Cr.	11.600	7-85	2,031,260.	1,931,030.
Fed. Farm Cr.	11.700	7-88	5,112,500.	4,957,113.
Fed. Farm Cr.	13.050	1-89	2,142,500.	1,904,774.
Fed. Farm Cr.	13.950	3-86	6,412,500.	6,008,067.
Fed. Farm Cr.	14.100	6-90	2,265,000.	2,000,000.
Fed. Farm Cr.	10.625	7-87	4,956,250.	5,001,343.
Fed. Farm Cr.	10.600	10-91	1,940,000.	2,001,532.
Fed. Home Loan Bk.	14.125	7-89	5,575,000.	5,000,000.
Fed. Home Loan Bk.	11.150	8-83	4,005,000.	4,002,622.
Fed. Home Loan Bk.	10.900	12-90	1,970,000.	1,981,057.
Fed. Home Loan Bk.	10.700	1-93	1,942,500.	2,012,684.

BONDS & NOTES	Interest Rate	Due Date	Market Value	Cost Value
Fed. Home Loan Bk.	10.800	3-93	\$ 1,956,260.	\$ 2,000,000.
Fed. Natl. Mtge. Assoc.	10.500	2-11	4,759,482.	4,707,690.
Fed. Natl. Mtge. Assoc.	10.875	4-93	982,500.	1,000,000.
Fed. Natl. Mtge. Assoc.	10.750	5-93	972,500.	1,002,151.
Fed. Natl. Mtge. Assoc.	10.300	2-88	3,675,000.	3,727,125.
Fed. Natl. Mtge. Assoc.			12,603,944.	12,506,433.
Fed. Natl. Mtge. Assoc.	11.875	6-13	11,910,000.	11,910,000.
Fed. Natl. Mtge. Assoc. Disc.			5,000,000.	4,981,979.
Fed. Natl. Mtge. Assoc. Disc.			12,000,000.	11,909,333.
Fed. Natl. Mtge. Assoc. Disc.			1,500,000.	1,488,633.
Intl. Bk. Recon. Dev.	9.350	12-00	2,282,187.	2,868,048.
Private Export Fdg.	10.250	5-88	4,683,072.	4,800,070.
Private Export Fdg.	14.125	6-91	2,627,561.	2,440,697.
Student Ln. Marktng. Assn.	10.900	2-90	2,871,375.	2,876,341.
Student Ln. Marktng. Assn.	10.100	1-88	3,000,000.	3,000,904.
US Govt. Fed. Aviation	8.875	4-86	973,216.	1,033,489.
US Govt. Fed. Aviation	8.875	4-86	1,111,882.	1,180,743.
Govt. Natl. Mtge. Assn.	8.000	12-00	47,488.	60,705.
Govt. Natl. Mtge. Assn.	8.000	12-06	1,146,987.	1,361,666.
Govt. Natl. Mtge. Assn.	8.000	3-07	1,039,952.	1,317,717.
Govt. Natl. Mtge. Assn.	7.500	6-07	623,144.	799,894.
Govt. Natl. Mtge. Assn.	8.000	8-07	712,418.	903,357.
Govt. Natl. Mtge. Assn.	8.000	7-07	571,207.	674,815.
Govt. Natl. Mtge. Assn.	8.000	8-07	673,754.	853,901.
Govt. Natl. Mtge. Assn.	8.000	8-07	723,684.	918,613.
Govt. Natl. Mtge. Assn.	8.000	9-07	515,263.	653,031.
Govt. Natl. Mtge. Assn.	8.000	9-07	669,674.	812,531.
Govt. Natl. Mtge. Assn.	8.000	9-07	691,137.	816,423.
Govt. Natl. Mtge. Assn.	8.000	11-07	670,083.	812,697.
Govt. Natl. Mtge. Assn.	9.000	9-08	1,514,035.	1,813,082.
Govt. Natl. Mtge. Assn.	9.000	6-09	783,072.	895,262.
Govt. Natl. Mtge. Assn.	9.000	5-09	691,021.	790,939.
Govt. Natl. Mtge. Assn.	9.500	8-09	2,457,592.	2,732,168.
Govt. Natl. Mtge. Assn.	9.500	9-09	3,204,385.	3,562,349.
Govt. Natl. Mtge. Assn.	9.500	9-09	2,464,348.	2,739,644.
Govt. Natl. Mtge. Assn.	11.000	1-10	917,584.	931,727.
Govt. Natl. Mtge. Assn.	11.000	8-10	893,922.	905,310.
Govt. Natl. Mtge. Assn.	11.000	8-10	44,009.	44,560.
Govt. Natl. Mtge. Assn.	11.000	8-10	921,049.	935,242.
Govt. Natl. Mtge. Assn.	11.000	8-10	920,422.	934,604.
Govt. Natl. Mtge. Assn.	11.500	10-10	1,769,063.	1,810,804.
Govt. Natl. Mtge. Assn.	15.000	7-11	20,592.	20,557.
Govt. Natl. Mtge. Assn.	11.000	9-10	924,824.	936,604.
Govt. Natl. Mtge. Assn.	15.000	2-12	891,080.	889,603.
Govt. Natl. Mtge. Assn.	15.000	4-12	866,382.	865,048.
Govt. Natl. Mtge. Assn.	11.500	3-13	954,364.	982,867.
Govt. Natl. Mtge. Assn.	15.000	9-12	989,844.	988,377.
Govt. Natl. Mtge. Assn.	11.250	4-98	1,875,448.	1,979,745.
Govt. Natl. Mtge. Assn.	11.500	1-13	1,925,835.	1,971,198.
Govt. Natl. Mtge. Assn.	11.500	6-13	1,910,620.	1,922,500.
Govt. Natl. Mtge. Assn.	11.500	2-13	954,398.	982,901.
Govt. Natl. Mtge. Assn.	11.500	2-13	953,502.	981,980.
Govt. Natl. Mtge. Assn.	11,500	5-13	381,991.	384,366.
Govt. Natl. Mtge. Assn.	10,500	4-98	1,813,868.	1,926,705.

BONDS & NOTES	Interest Rate	Due Date	Market Value	Cost Value
Govt. Natl. Mtge. Assn.	11.000	6-13	2,799,840.	2,842,937.
Govt. Natl. Mtge. Assn.	11.500	1-13	2,871,245.	2,938,876.
Govt. Natl. Mtge. Assn.	11.500	1-13	477,291.	491,546.
Govt. Natl. Mtge. Assn.	11.500	1-13	3,815,401.	3,905,272.
Govt. Natl. Mtge. Assn.	11.250	4-98	482,025.	508,832.
Govt. Natl. Mtge. Assn.	11.250	3-98	473,425.	499,754.
Govt. Natl. Mtge. Assn.	11.500	2-13	938,795.	966,833.
Govt. Natl. Mtge. Assn.	11.250	4-98	478,644.	504,638.
Govt. Natl. Mtge. Assn.	11.250	4-98	949,584.	1,001,154.
Govt. Natl. Mtge. Assn.	11.500	4-13	2,884,452.	2,970,596.
Govt. Natl. Mtge. Assn.	11.250	4-98	478,694.	504,691.
Govt. Natl. Mtge. Assn.	11.250	4-98	479,746.	505,800.
Govt. Natl. Mtge. Assn.	8.000	7-05	472,192.	603,570.
Govt. Natl. Mtge. Assn.	11.000	5-13	373,190.	377,938.
Govt. Natl. Mtge. Assn.	11.250	4-98	476,110.	501,967.
Govt. Natl. Mtge. Assn.	11.250	6-98	1,885,320.	1,997,528.
Govt. Natl. Mtge. Assn.			933,280.	947,646.
Govt. Natl. Mtge. Assn.	9.500	10-09	884,505.	1,007,943.
Govt. Natl. Mtge. Assn.	9.500	8-09	2,653,493.	3,024,480.
Govt. Natl. Mtge. Assn.	9.500	10-09	907,996.	1,034,509.
Govt. Natl. Mtge. Assn.	9.500	9-09	879,511.	1,001,925.
Govt. Natl. Mtge. Assn.	9.500	8-09	1,715,560.	1,934,259.
Govt. Natl. Mtge. Assn.	9.500	8-09	910,412.	1,037,206.
Govt. Natl. Mtge. Assn.	9.500	9-09	919,766.	1,048,170.
Fed. Home Loan Mtge. Corp.	8.550	3-96	2,817,989.	3,165,628.
Fed. Home Loan Mtge. Corp.	8.000	5-07	2,025,008.	2,546,575.
Fed. Home Loan Mtge. Corp.	8.000	6-07	95,947.	118,510.
Fed. Home Loan Mtge. Corp.	8.250	9-07	799,584.	1,008,203.
Fed. Home Loan Mtge. Corp.	8.250	10-07	1,657,295.	2,089,449.
Fed. Home Loan Mtge. Corp.	8.000	9-07	503,885.	634,689.
Fed. Home Loan Mtge. Corp.	8.250	10-07	4,073,098.	5,124,771.
Fed. Home Loan Mtge. Corp.	8.250	10-07	2,172,319.	2,727,698.
Fed. Home Loan Mtge. Corp.	8.500	8-06	542,400.	652,544.
Fed. Home Loan Mtge. Corp.	8.250	11-07	1,126,316.	1,366,643.
Fed. Home Loan Mtge. Corp.	8.250	12-07	577,383.	700,565.
Fed. Home Loan Mtge. Corp.	8.500	12-07	602,566.	701,966.
Fed. Home Loan Mtge. Corp.	8.500	12-07	647,461.	754,287.
Fed. Home Loan Mtge. Corp.	8.500	1-08	541,616.	658,587.
Fed. Home Loan Mtge. Corp.	8.500	2-08	1,191,733.	1,439,318.
Fed. Home Loan Mtge. Corp.	8.500	2-08	715,040.	832,955.
Fed. Home Loan Mtge. Corp.	8.500	3-08	1,784,009.	2,169,237.
Fed. Home Loan Mtge. Corp.	8.750	3-08	4,395,006.	5,316,124.
Fed. Home Loan Mtge. Corp.	8.750	3-08	1,884,639.	2,273,003.
Fed. Home Loan Mtge. Corp.	8.750	4-08	3,118,247.	3,778,183.
Fed. Home Loan Mtge. Corp.	8.500	5-08	1,902,925.	2,298,095.
Fed. Home Loan Mtge. Corp.	8.750	5-08	1,909,906.	2,311,056.
Fed. Home Loan Mtge. Corp.	8.750	5-08	4,456,448.	5,377,745.
Fed. Home Loan Mtge. Corp.	8.750	5-08	3,204,418.	3,865,153.
Fed. Home Loan Mtge. Corp.	8.750	5-08	3,223,564.	3,887,748.
Fed. Home Loan Mtge. Corp.	9.000	6-08	4,553,105.	4,854,378.
Fed. Home Loan Mtge. Corp.	9.000	6-08	731,705.	803,679.
Fed. Home Loan Mtge. Corp.	9.250	7-08	3,858,400.	4,081,961.
Fed. Home Loan Mtge. Corp.	9.000	9-08	3,807,676.	4,173,212.

BONDS & NOTES	Interest Rate	Due Date	Market Value	Cost Value
Fed. Home Loan Mtge. Corp.	10.750	10-09	\$ 792,745.	\$ 890,558.
Fed. Home Loan Mtge. Corp.	8.500	2-08	2,979,332.	3,618,867.
Fed. Home Loan Mtge. Corp.	8.500	2-08	1,226,171.	1,480,902.
Fed. Home Loan Mtge. Corp.	8.500	2-08	1,226,171.	1,453,894.
Fed. Home Loan Mtge. Corp.	8.500	2-08	1,777,463.	2,161,282.
Fed. Home Loan Mtge. Corp.	16.250	5-11	1,867,313.	1,795,962.
Fed. Home Loan Mtge. Corp.	8.500	2-08	1,462,374.	1,776,277.
Fed. Home Loan Mtge. Corp.	8.000	6-07	760,810.	939,251.
Fed. Home Loan Mtge. Corp.	9.000	6-08	733,636.	558,052.
Fed. Home Loan Mtge. Corp.	10.000	1-09	189,770.	188,039.
Fed. Home Loan Mtge. Corp.	10.000	2-09	1,545,255.	1,524,313.
Fed. Home Loan Mtge. Corp.	9.750	4-09	1,511,168.	1,249,776.
Fed. Home Loan Mtge. Corp.	10.000	7-09	168,599.	167,114.
Fed. Home Loan Mtge. Corp.	10.000	9-11	839,225.	831,224.
Fed. Home Loan Mtge. Corp.	10.000	12-09	821,534.	813,923.
Fed. Home Loan Mtge. Corp.	10.000	5-10	852,117.	844,163.
Fed. Home Loan Mtge. Corp.	10.000	4-11	1,544,972.	1,530,337.
Fed. Home Loan Mtge. Corp.	10.000	2-10	13,361.	13,254.
Fed. Home Loan Mtge. Corp.	10.000	11-10	476,866.	472,400.
Fed. Home Loan Mtge. Corp.	10.000	10-10	836,814.	828,968.
Fed. Home Loan Mtge. Corp.	10.000	5-11	<u>1,711,902.</u>	<u>1,506,539.</u>
GOVT. AGENCY			\$268,124,965.	\$285,024,592.
Bankamerica Corp.	8.350	5-07	722,500.	735,460.
Beneficial Corp. Ovt. Plc.	11.500	12-84	2,016,200.	1,895,844.
Beneficial Finance Co.	8.400	5-08	1,830,000.	1,996,921.
Chemical NY	8.400	4-99	724,990.	904,469.
Citicorp	8.450	3-07	718,750.	740,610.
Citicorp	8.125	7-07	1,499,568.	1,581,769.
Citicorp	10.875	6-10	1,754,600.	1,944,861.
Citizens Savng. & Ln.	9.500	7-89	1,800,880.	1,997,048.
Commrc'l Fed. Savng. & Ln.	11.200	12-89	1,913,820.	2,000,053.
Gen. Mtrs. Accept. Corp.	9.400	7-04	1,617,500.	1,766,763.
Gen. Mtrs. Accept. Corp.	13.500	4-85	2,078,700.	2,000,022.
Gen. Mtrs. Accept. Corp.	12.500	4-84	1,017,380.	1,004,959.
LMN Accept. GTD Aetna Nts.	12.000	11-83	1,848,274.	1,848,274.
Manufact. Hanover Trst.	8.500	6-85	1,910,000.	2,020,670.
Sears Roebuck Accept.	14.550	9-85	2,147,920.	2,000,000.
Sears Roebuck Accept.	14.550	9-85	536,980.	500,000.
Wells Fargo	9.550	7-85	<u>1,952,500.</u>	<u>1,998,130.</u>
FINANCE			26,090,562.	26,935,853.
Aluminum Co. of America	7.000	4-11	2,508,865.	2,082,188.
American Can Co.	11.375	7-10	1,855,000.	1,988,623.
ARCO Pipeline Co.	8.000	2-84	990,000.	980,532.
ARMCO Inc.	14.650	12-86	2,675,000.	2,510,000.
Assoc. Dry Goods Corp.	11.250	11-87	2,057,020.	2,000,000.
Atlantic Richfield Co.	11.375	5-10	1,965,000.	1,893,287.
Atlantic Richfield Co.	13.625	3-11	1,478,685.	1,399,548.
Baker Internatl. Corp.	6.000	3-02	2,180,240.	1,921,404.
Beatrice Foods	8.500	8-08	797,220.	961,792.

BONDS & NOTES	Interest Rate	Due Date	Market Value	Cost Value
Borden Inc.	9.375	6-09	\$ 1,618,280.	\$ 1,719,888.
Burlington Northrn Const.	12.875	8-05	2,036,320.	1,995,598.
Caterpillar Tractor	6.000	5-07	2,710,800.	2,751,730.
Chesebrough Ponds	10.625	7-90	1,906,660.	1,684,950.
Conoco Inc.	9.375	4-09	1,618,780.	1,415,049.
Conoco Inc. Deb.	13.250	1-11	2,104,720.	2,000,000.
Dayton-Hudson	10.750	5-13	1,768,820.	1,902,771.
Deere & Co.	8.000	11-02	2,115,360.	2,204,789.
Deere & Co.	11.500	11-89	1,955,140.	1,991,433.
Dupont De Nemours EI	14.000	12-91	2,207,500.	2,172,991.
Dupont De Nemours EI	6.000	12-01	3,070,550.	2,632,278.
Eaton Corp.	7.000	4-11	1,729,530.	1,548,963.
Engelhard Minerals & Chem.	11.750	8-05	1,940,000.	1,991,196.
Exxon Pipeline	8.250	3-01	1,578,560.	1,778,499.
Fedt. Dept. Stores	10.250	6-10	1,838,820.	2,021,314.
General Electric	8.500	5-04	1,577,500.	1,928,437.
General Foods	6.000	6-01	2,369,800.	1,992,797.
Georgia Pacific	10.100	6-90	1,867,000.	1,620,831.
Honeywell Inc. Deb.	14.125	2-11	4,374,000.	4,166,480.
ICI North American	8.875	1-03	770,790.	948,362.
Ingersoll Rand	12.375	9-90	2,041,000.	2,000,000.
Intl. Minerals & Chemicals	9.350	11-00	826,875.	857,249.
Intl. Minerals & Chemicals	11.875	5-05	936,360.	954,520.
Intl. Paper Credit Corp.	14.500	1-86	1,068,150.	1,000,000.
J. C. Penney	11.500	6-10	1,891,740.	2,054,001.
J. C. Penney	6.000	5-06	2,906,250.	2,333,216.
K-Mart	9.875	7-85	1,974,900.	1,994,344.
Kerr McGee Corp.	8.500	6-06	742,060.	1,031,066.
Kerr McGee Corp.	7.00	11-11	1,557,208.	1,515,303.
Marathon Oil	10.250	7-87	1,930,000.	2,000,000.
Marathon Oil	12.500	3-94	2,096,250.	1,995,710.
McDermott J. Ray	9.625	3-04	1,165,950.	1,136,197.
Mobil Oil	7.375	10-01	1,417,500.	1,266,676.
Monsanto	8.750	5-08	1,521,140.	1,714,826.
National Steel	8.375	8-06	622,660.	1,010,673.
Owens Illinois	10.375	6-90	1,888,580.	2,008,269.
Pembroke Capital Inc. Nte.	14.000	6-91	4,445,680.	4,006,071.
Pennzoil Co. Deb.	14.000	2-91	2,177,500.	2,000,000.
Philip Morris	8.650	3-84	492,335.	495,477.
Phillip Morris	6.000	11-99	1,824,630.	1,559,729.
Philip Morris	6.000	7-01	2,959,350.	2,514,432.
Phillips Petroleum Co. Deb.	7.625	3-01	752,390.	624,232.
Phillips Petroleum Co. Deb.	12.250	10-12	1,993,460.	2,000,000.
Revlon Inc.	10.875	7-10	1,855,380.	1,610,225.
Richardson Merrell Inc.	8.850	12-99	1,262,300.	1,479,002.
Sears Roebuck	8.000	4-06	1,430,000.	1,544,818.
Sears Roebuck	7.000	11-01	3,250,000.	3,062,137.
Shell Oil	8.750	5-05	1,909,275.	1,973,474.
Shell Oil Co.	13.875	6-91	2,119,740.	1,992,007.
Shell Oil Co.	14.250	6-11	2,200,000.	2,000,000.
Smith International	9.850	5-04	1,241,040.	1,500,060.
Southern Natural Gas	15.000	12-91	2,230,480.	1,974,748.
St. Regis Paper Co. Nte.	10.000	6-90	1,762,780.	1,991,263.

BONDS & NOTES	Interest Rate	Due Date	Market Value	Cost Value
Standard Oil Calif.	7.000	4-96	\$ 2,910,000.	\$ 2,994,524.
Standard Oil Calif.	8.750	7-05	1,592,500.	1,814,155.
Standard Oil Ind.	7.875	8-07	711,250.	996,967.
Standard Oil Ohio	10.875	5-13	1,765,980.	1,845,432.
Superior Oil	14.375	12-91	4,448,480.	3,966,336.
Texaco	8.875	5-05	1,565,000.	2,128,407.
Texaco	8.500	4-06	1,510,000.	1,660,092.
Texas Instruments Deb.	12.700	2-05	1,998,560.	2,041,072.
Texas Oil & Gas Corp. Deb.	11.500	11-02	1,842,900.	1,981,246.
Times Mirror	9.625	9-86	1,937,700.	1,997,947.
Union Camp	10.875	7-10	1,832,680.	1,606,253.
Union Carbide	7.500	12-06	2,080,530.	2,031,769.
Union Carbide	9.350	8-09	1,675,000.	2,000,000.
Union Carbide	14.500	12-91	2,198,780.	1,983,166.
UNTD Technologie	9.000	4-85	1,945,700.	1,999,403.
Upjohn Co.	10.650	7-90	2,825,310.	2,887,203.
Upjohn Co.	14.000	6-91	1,050,280.	1,004,791.
Wheelabrator Frye Inc. Deb.	11.750	7-05	1,910,620.	2,000,000.
INDUSTRIAL			\$151,960,194.	\$150,344,218.
Carolina Power & Light	10.500	5-09	1,692,500.	1,451,915.
Central Power & Light Co.	12.375	1-10	1,960,000.	2,018,508.
Cleveland Elec. Illumintg.	12.250	6-13	1,910,000.	1,947,646.
Duke Power	10.875	10-09	1,740,000.	1,640,513.
Florida Power & Light	12.125	11-09	2,301,000.	2,348,634.
Florida Power & Light	12.375	3-13	1,907,500.	2,009,889.
Houston Light & Power	12.375	3-13	4,489,480.	3,970,333.
Illinois Bell Tel.	12.250	8-17	1,894,040.	1,814,252.
Indiana Gas	11.600	7-90	975,000.	1,000,000.
Internorth Inc.	10.750	8-90	1,941,440.	1,997,892.
No. States Power Min.	10.875	5-13	1,674,100.	1,925,209.
Pacific Gas & Electric Co.	12.875	8-13	2,509,950.	1,964,911.
Pacific Gas Electric	12.000	2-16	1,862,500.	1,960,102.
Penn. Power & Light	9.750	11-05	1,211,250.	1,487,697.
Public Service Ind.	15.750	12-11	2,257,320.	1,982,009.
Southern Natural Gas Co.	11.375	11-94	2,129,340.	1,992,904.
Southwestern Electric Power	11.875	1-10	2,053,697.	2,200,982.
Tenneco	12.125	5-05	1,960,000.	1,704,521.
Texas Power & Light	9.375	2-09	1,585,000.	2,002,574.
American Tel. & Tel.	8.625	2-07	2,298,750.	3,110,633.
Bell Tel. PA	11.875	4-20	1,967,500.	1,801,251.
Ches. Pot. Tel. Maryland	9.000	10-18	752,860.	789,835.
Continental Telep. Co.	13.500	6-87	1,058,650.	1,012,392.
General Tel. Southwest	12.250	11-09	1,992,375.	2,092,925.
Indiana Bell Tel.	8.000	10-14	782,000.	822,031.
Mountain States Tel. & Tel.	8.625	4-18	2,126,250.	2,588,260.
Mountain States Tel. & Tel.	11.250	11-19	1,378,605.	1,503,396.
New York Tel.	8.625	6-16	724,160.	968,600.
New York Tel.	11.625	8-19	3,230,000.	3,143,761.
Northwestern Bell	9.500	8-16	3,190,000.	3,649,325.
Ohio Bell Tel.	7.875	10-13	1,567,710.	1,588,301.
South Central Bell	9.625	3-19	1,600,920.	1,430,528.

BONDS & NOTES	Interest Rate	Due Date	Market Value	Cost Value
South Central Bell	9.875	9-18	\$ 1,241,250.	\$ 1,343,806.
Southern Bell Tel.	8.125	5-17	685.280	915.533.
Southern Bell Tel.	10.900	12-19	2,603,160.	2,887,323.
Southwestern Bell	6.750	6-08	1,245,400.	1,235,251.
Southwestern Bell	8.500	3-16	2,156,250.	2,167,229.
Southwestern Bell	11.375	1-20	3,720,000.	3,875,594.
Wisconsin Tel.	11.375	6-17	<u>1,850,280.</u>	<u>1,941,431.</u>
PUBLIC UTILITY			\$74,225,517.	\$76,287,896.
Union Pacific	11.875	9-10	2,020,000.	1,961,168.
Union Pacific Railroad Co.	13.150	11-94	<u>2,191,980.</u>	<u>2,000,000.</u>
			\$4,211,980.	\$3,961,168.
TRANSPORTATION				
Connecticut Mutual GTD	10.220	5-84	1,000,000.	1,000,000.
New York Life Ins.	12.110	2-86	3,000,000.	3,000,000.
Northwestern Natl. Life	12.350	2-87	3,000,000.	3,000,000.
Pacific Mutual Ins.	11.880	3-87	3,000,000.	3,000,000.
Union Central GTD	12.030	3-86	1,000,000.	1,000,000.
Union Central GTD	11.530	4-86	<u>1,000,000.</u>	<u>1,000,000.</u>
GUARANTEED INS. CONTRACTS			\$12,000,000.	\$12,000,000.
Hydro Quebec	10.000	11-05	411,250.	496,732.
Hydro Quebec	17.375	9-91	608,125.	499,500.
Hydro Quebec Canada	10.125	6-09	811.250	838,240.
Manitoba Hydro Elec.	9.250	1-06	771,250.	983,630.
Nova Scotia Prov. Canada	11.500	5-13	2,000,000.	2,004,972.
Ontario CA Province	9.250	11-05	803,750.	1,025,221.
Ontario CA Province	15.250	8-12	<u>2,415,000.</u>	<u>1,992,729.</u>
CANADIAN			\$7,820.625.	\$7,841,024.
Banks & Various			<u>9,163,977.</u>	<u>9,000,257.</u>
CERT. OF DEPOSIT			\$9,163,977.	\$9,000,257.
Commercial Paper			<u>4,915,667.</u>	<u>4,915,667.</u>
COMMERCIAL PAPER			\$4,915,667.	\$4,915,667.
Variable Rate Demand Note			<u>17,016,400.</u>	<u>17,016,400.</u>
VARIABLE DEMAND NOTE			\$17,016,400.	\$17,016,400.
GRAND TOTAL			<u>\$725,283,100.</u>	<u>\$743,097,619.</u>

GABRIEL, ROEDER, SMITH & COMPANY

ACTUARIES & CONSULTANTS

2090 First National Building
Detroit, Michigan 48226
Area 313: 961-3346

December 22, 1983

The Board of Trustees
Indiana State Teachers Retirement Fund
Indianapolis, Indiana

Ladies and Gentlemen:

The fundamental financial objective of ISTRF is to establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Indiana citizens.

This level contribution objective is not the objective of the contributing employer, the State of Indiana. For many years employer contributions into ISTRF have been little more than cash benefit payments from ISTRF. This contribution pattern is an increasing contribution rate pattern.

In order to determine ISTRF present financial position and level contribution rates for the future, annual actuarial valuations are made. These valuations are made in accordance with model provisions enacted into Indiana law in 1955.

This letter is based upon the actuarial valuations of active and retired lives as of June 30, 1981 and June 30, 1982, respectively. Conditions and results are shown in our reports.

ISTRF assets are \$751 million short of covering the liabilities for future benefit payments to present retired lives.

Level-percent employer contribution rates, if begun now, were computed to total 15.20% of active member payroll, consisting of normal cost of 6.78% plus 8.42% for a 40 year amortization of unfunded actuarial accrued liabilities. If the contributions for unfunded liabilities were reduced to the amount which would prevent unfunded liabilities from growing, expressed as a percent of active member payroll, then the total computed employer contribution rate would be 12.52%.

December 22, 1983

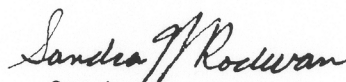
Benefits evaluated were those of a year ago except for an ad hoc increase to present retired lives, granted by the State Legislature.

An actuarial valuation needs data about all persons covered by ISTRF and about ISTRF assets (cash and investments). This data is furnished us by the ISTRF administrative staff. Although examined for general reasonableness, the data is not otherwise audited by the actuary. Asset values are at amortized cost.

The financial assumptions needed for an actuarial valuation are adopted by the Board of Trustees after consulting with the actuary. They are summarized in the appendix of our reports. The non-economic assumptions were based upon our investigation of ISTRF experiences. The economic assumptions, which cover future rates of investment return and future rates of member pay increases, are judgments. The validity of these economic assumptions is directly linked with future rates of inflation. The real rate of investment return, which is the portion of total investment return rate more than the inflation rate, is assumed to be 3% annually. Actual investment return in the last decade has fallen far short of this assumption.

We believe the financial assumptions adopted for actuarial valuations produce results which are reasonable.

Respectfully submitted,



Sandra W. Rodwan



Richard G. Roeder

Members

American Academy of Actuaries

RGR:jk

Indiana State Teachers Retirement Fund

Summary of Benefit Provisions

(last changed 7/1/82)

Regular Retirement (no reduction factor for age):

Eligibility - Age 65 with 10 years service.

Mandatory Retirement Age - none.

Annual Amount - State pension equal to total service times 1.1% of final average salary; plus, an annuity purchased by the member's accumulated contributions.

Type of Final Average Salary - Average of highest 5 years.

Early Retirement (age reduction factor used):

Eligibility - Age 50 with 15 or more years service.

Annual Amount - State pension is computed as regular retirement benefit but reduced 1/10 of 1% for each month age at retirement is between 60 and 65 and 5/12 of 1% for each month under age 60.

Deferred Retirement (vested benefit):

Eligibility - 10 years of service. Benefit commences at age 65, or at age 50 if member had 15 or more years of service.

Annual Amount - Computed as a regular retirement benefit with state pension based on service and final average salary at termination.

Duty Disability Retirement: Same as Non-Duty Disability shown below.

Non-Duty Disability Retirement:

Eligibility - 5 years of service.

Annual Amount - \$125 per month plus \$5 for each year of service credit over 5 years.

Duty Death Before Retirement:

Eligibility - 15 years of service. Spouse to whom member had been married for 3 or more years is automatically eligible, or a dependent may be designated as beneficiary.

Annual Amount - Computed as regular retirement benefit but reduced in accordance with a 100% joint and survivor election.

Member Contributions: 3% of salary.

Benefit Increases After Retirement: No automatic increases after retirement are provided. Unscheduled increases have been made from time to time.

The June 30, 1982 valuation includes liabilities for the 3% increase for recipients who retired before 7-2-68. This increase was effective 7-1-81 but was not reported in the June 30, 1981 valuation. The related liability increase was \$5.9+ million.

Effective 7-1-82, a 4% increase for recipients who retired before 7-2-80 was granted. The related liability increase was \$33.4+ million.

Schedule 6.

Indiana State Teachers Retirement Fund

Retirants & Beneficiaries Computed Liabilities

Comparative Statement

Valuation June 30	Monthly Allowances Being Paid				Computed Liabilities		Pension Reserves Available for Retired Lives	Ratio of Reserves to Normal Allow. Liabilities
	Number	Normal Allowances	Total Allowances	Avg. Tot. Allowances	Normal Allowances	Total Allowances		
1966	10,947	\$1,502,849	\$1,754,398	\$160	\$205,077,594	\$	\$	
1967	11,621	1,670,811	1,907,677	164	226,597,440			
1968	12,362	1,865,499	2,085,945	169	220,904,496*			
1969	13,214	2,121,736	2,328,301	176	252,109,356			
1970	14,312	2,459,385	2,647,397	185	296,988,420		37,249,947	12.5%
1971	15,284	2,761,245	2,940,019	192	333,115,464		40,282,154	12.1
1972	16,525	3,232,285	3,356,456	203	387,167,736		48,234,297	12.5
1973	17,642	3,570,810	3,844,997	218	407,205,444*		84,143,378	20.7
1975	19,217	4,298,637	4,660,873	243	489,557,796		95,684,185	19.5
1976	19,961	4,785,066	5,663,049	284	502,565,184*	521,518,344*	103,417,581	20.6
1977	20,670	5,208,747	6,186,999	299	545,493,516	634,282,404	109,541,561	20.1
1978	21,312	4,806,831	6,802,983	319	584,589,000	695,037,540	122,903,169	21.0
1979	21,808	5,144,227	7,353,986	337	620,418,864	776,820,456	138,791,199	22.4
1980	22,255	5,563,433	8,542,355	384	656,822,112	838,221,996	152,227,411	23.2
1981	22,738	6,775,694	8,895,272	391	697,140,204	885,519,372	178,126,912#	25.6
1982	23,261	7,262,740	9,743,080	419	744,703,776	962,757,924	210,986,498#	28.3

If actual employer contributions had been following level contribution rate principles and following the contri-

bution provisions of Chapter 329 of Acts of 1955, the retired life liabilities for normal allowances would be

100% funded.

Please refer to page 24 for notes relating to Schedule 6.

Notes Relating to Schedule 6.

* Revised assumptions.

The computed liability for the annuity portion of the normal allowance was \$109,389,360. The June 30, 1982 balance in the Retired Teacher Annuity Reserve was reported to be \$128,028,335.